



U.S. Department of Justice

United States Attorney
Western District of Texas

JOHNNY SUTTON
United States Attorney

601 NW Loop 410 STE 600
San Antonio, Texas 78216

(210)384-7400
FAX: (210)384-7474

FOR IMMEDIATE RELEASE

February 7, 2002

On the Web at: WWW.USDOJ.GOV/USAO/TXW/INDEX.HTML

Contact: AUSA Tom McHugh
SAUSA R. Rosenfeld
(210) 384-7150
FBI SA John DeLeon
(210) 225-6741
IRS-CI SA Dusty Faulkner
(210) 706-5327

**KINGS SENTENCED IN CONNECTION WITH
MULTI-MILLION DOLLAR INVESTMENT FRAUD SCHEME**

(SAN ANTONIO, TEXAS) This morning, United States District Judge Orlando Garcia sentenced 61-year-old **JON JEFFREY KING** of San Antonio to ten years imprisonment and ordered him to pay a \$10 million judgement and forfeit all proceeds from a scheme to defraud investors in several domestic business ventures including **CASH CAN, INC.**, a business involving the manufacture, marketing, and sale of automated aluminum-for-cash recycling machines. Judge Garcia also sentenced King's wife, 46-year-old **PATRICIA L. KING**, to three years probation for her role in the scheme that defrauded over \$10 million from investors.

Items forfeited include: 1) Jon and Patricia King's residence and property located at 11810 Mill Rock Road, San Antonio; 2) seven automobiles (4 BMWs and 3 Chevrolets); 3) assorted jewelry, artwork, furnishings, clothing and computer equipment; and 4) money held in several bank accounts, both domestic and offshore.

Appearing before United States Magistrate Judge Nancy S. Nowak on June 25, 2001, Jon King pleaded guilty one count of Conspiracy To Commit Securities, Wire and Mail Fraud and one count of Conspiracy To Launder Money. Patricia King pleaded guilty to three misdemeanor counts of providing false information on her 1993, 1994, and 1995 income tax returns. Patricia King admitted to submitting false tax information to the IRS which claimed that a photography business, *Patricia King Photography*, which existed in name alone, was the basis for the King's income. In fact, *Patricia King Photography* was used as a subterfuge to disguise and conceal the true source of the King's income, which was the proceeds from the scheme to defraud investors.

In his plea, King admitted to laundering millions of dollars in fraudulently obtained proceeds through banks in the United States and the Bahamas. King obtained these proceeds between 1984-1997, when he intentionally made false promises and purposely misled investors in order to induce them to invest in nine different ventures including Cash Can, Inc. However, relatively little of the substantial funds paid by investors ever went to capitalize the ventures. Instead, King kept the money for personal use, financing his, and his family's, lavish lifestyles; lifestyles which included, multiple luxury homes, yachts, automobiles and vacations.

“This sentence sends a clear message that there will be a serious punishment for those who take the hard earned money of honest folks through criminal deceit,” stated United States Attorney Johnny Sutton.

Roderick L. Beverly, Special Agent in Charge of the FBI’s San Antonio Field Office noted that this case was initiated by the FBI in 1995 and eventually developed into a multi-year, multi-agency, investigative effort with the Internal Revenue Service (IRS) and the Securities and Exchange Commission (SEC), without whom the successful resolution would not have been possible. “The investigation not only demonstrates the extent to which individuals would scheme to defraud honest people for their own criminal benefit, but it also demonstrates people get caught and punished. The FBI is pleased that over \$1 million in forfeited assets seized in this investigation will be eventually used to compensate the many victims of the King’s crimes,” stated Beverly.

“John King swindled millions of dollars from unsuspecting victims and will now spend the next ten years in Federal prison,” stated Enrique Fasci, Special Agent in Charge, IRS-Criminal Investigation, San Antonio Field Office.

Other defendants charged in this case include: Jon King’s 36-year-old son **MICHAEL J. KING** of Austin, TX; Patricia King’s 50-year-old sister, **ELIZABETH WARD MOORE**, of San Antonio; **ROGER PATTERSON LUND**, age 47, of Salt Lake City, UT; and, **HERBERT DALE CARVER**, age 32, of New Orleans, LA. On December 3, 2001, Moore pleaded guilty to one count of conspiracy to commit securities, wire and mail fraud. As a result, she faces up to five years in federal prison and a maximum \$250,000 fine. On December 12, 2001, Michael King pleaded guilty to conspiracy to commit money laundering. As a result, he faces up to seven years in prison. Moore and King are both scheduled to be sentenced at 9:00am on February 21, 2001. Lund and Carver, each face charges of conspiracy to commit securities, wire and mail fraud and conspiracy to launder money. No trial date has been scheduled.

This case was the result of a six-year-long investigation by agents from the Federal Bureau of Investigation, Securities and Exchange Commission, and the Internal Revenue Service- Criminal Investigation. Assistant United States Attorney Tom McHugh and Special Assistant United States Attorney Richard Rosenfeld, who was detailed from the SEC specifically for this matter, are prosecuting this case on behalf of the Government.

#####

#####